

Mr. Barry Wood
Assessment Director
Department of Local Government
100 N Senate Ave
Rm N1058
Indianapolis, IN 46204

Re: Submittal of Hamilton County Ratio & Equalization Study 2016 pay 2017

The attached excel files depict our ratio statistics per township and by property classes. The first sheet is a summary of each Township's parcel count, COD, PRD, and Median. The additional sheets are by property classes with detailed data and multi-parcel sales.

We are submitting our **2016 pay 2017** worksheet values of all parcels for the County in the format you directed. We are also attaching an excel file of sale parcels from 01-01-2015 to 12-31-15 that were changed and the reason they were changed.

We collapsed townships that are under the same purview of management for vacant residential. They are collapsed as follows: Noblesville, White River and Wayne and Adams, Jackson and Washington and Delaware and Fall Creek. Residential Improved was only collapsed for Wayne and White River Townships due to an insufficient sample size. We collapsed all commercial property classes to arrive at a sufficient sample size for those townships with too few sales to analyze. **For 2016 we did not have enough Industrial vacant and improved sales to provide an accurate analysis.**

Hamilton County completed our trending in house with no outside vendor. The ratio and equalization was completed in house as well. Hamilton County utilizes SPSS software (with the assistance of Bob Denne) to run statistical analyses on all parcel data to ensure that we are assessing property within State guidelines.

Narrative of Hamilton County's Trending Procedures

Residential:

Hamilton County had sufficient sales in the time period of **01-01-2015 to 12-31-15** in a majority of neighborhoods to trend residential properties for the **2016 pay 2017** tax year. No time adjustment was necessary since we only used one year of sales. There are some neighborhoods that did not have enough sales to establish trending factors. We combined neighborhoods where we could. We also utilized our previous year's appeals in those neighborhoods that we experienced a larger number of appeals in. If all avenues were applied and we still did not have enough data to arrive at a trending factor, we did not change the neighborhood.

Step one: We captured all vacant land sales that now have subsequent improvements to ensure we were using all possible sales. Per 50 IAC 14, we ran ratios of vacant land sales to establish base rates by neighborhood in all townships. If warranted, base rates and or excess rates were changed. We saw very little change in land values, so most base rates stayed at their 2015 rates (see Land Order explanation below).

Step Two: We captured all multiple parcel sales and summed the totals of all parcels land and improvement value to ensure we were using all possible sales. There is a notation in the header file of each property class category if it was a vacant or multiple parcel sales. Per 50 IAC 14, we ran ratios of residential improved sales by neighborhood in all townships to define any problem areas. If warranted we stratified any neighborhoods that were falling outside the requirements either by age, story height, square foot, etc. We applied a neighborhood factor adjustment if warranted. Then we re-ran ratios to ensure that we were within the guidelines. In neighborhoods with less than 5 sales, the trending factor was not changed.

Step Three: We ran ratios by township by class to ensure that our changes were within the guidelines. Any change in neighborhoods that are adjacent to township lines were also reviewed to ensure all properties were being treated the same in those adjoining neighborhoods.

Commercial & Industrial:

In establishing values for the **2016** commercial/industrial trending, the starting point used was the Real Property Assessment Guidelines provided by the Department of Local Government Finance and the Land Order (explanation below). The assessed values were compared to actual sales, along with reviewing income and expense data, appraisals and other appeal information from previous years was instrumental in establishing the 2016 values. The appeal process over the past few years is what supplied income, expense and cap rate data. Reality rates, Integra and RERC real estate report were used to help establish valid cap rates. Web sites, such as Loopnet and Co-Star, were used to help arrive at current leasing information and cap rates information in the area or for like use types where no information was available in the County. The above appeal information helped us with a more working knowledge of market data versus a purely cost approach. With the use of the above tools and information we were able to establish final values that represent the market value in use for the property.

Cyclical Reassessment:

Hamilton County successfully completed the physical inspection and data entry of 25% of all property classes for year two of the cyclical reassessment. We will begin the physical inspection for year three on May 1, 2016.

Land Order

Hamilton County completed the land order for **2016 pay 2017**. We ran sales of vacant land using dates of **01-01-13 through 03-01-15**. In neighborhoods with no vacant land sales the extrapolation method was used. New base rates were established for **Residential Neighborhoods** where needed.

Commercial Land was changed to reflect a segmentation concept. We created neighborhoods by like uses and established new base rates to reflect sales in each of the uses.

The following are data stats for Hamilton County to aid you in your analysis:

Total Parcel Count: 123,817

There were **2,882** new parcels created by either the **120** new plats or the **126** splits recorded. There were **357** parcels deleted either by new plats or combinations recorded.

Total Valid and Invalid Sales Disclosures submitted for **01-01-15** through **12-31-15: 11,489**

Total number of **01-01-15** through **12-31-15** sales used: **7,997**

Any questions, please contact myself or Kim Powell.

Sincerely,

Robin Ward
Hamilton County Assessor
317-776-9668